

OFFICE FOR COMPETITION

26th April 2016

COMP-MCCAA/10/2016- Acquisition by Calamatta Cuschieri Group p.l.c.

Decision on acquisition in terms of regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)

The Office for Competition,

Having considered the notification dated 11 April 2016 pursuant to regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations

Facts

1. On 24th March 2016, the Office for Competition received a notification of a proposed concentration pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”), whereby pursuant to a Sale and Purchase Agreement (hereinafter referred to as “the Agreement”), Calamatta Cuschieri Group p.l.c. (hereinafter referred to as “the Notifying Party”) will acquire the entire issued share capital in Crystal Finance Investments Limited (hereinafter referred to as “the Acquired Party”).
2. The notification was filed on 24th March 2016, and accepted as a complete notification on 11th April 2016 and was notified to the public through a notice that appeared in a daily newspaper on 15th April 2016 and a notice that appeared in the Government Gazette number 19,558 of 15th April 2016.

Parties

3. The Notifying Party, Calamatta Cuschieri Group p.l.c., with registered office at 5th Floor, Valletta Buildings, South Street, Valletta, having registration number C 70064, is a holding company with its market activities being carried out by its three fully-owned subsidiaries all based in Malta: Calamatta Cuschieri Investment Management Limited (“CCIM”), Calamatta Cuschieri Investment Services Limited (“CCIS”) and Calamatta Cuschieri Fund Services Limited (“CCFS”). The Notifying Party is thereby involved in portfolio management and

advice for institutional clients through CCIM, wealth management for retail clients through CCIS as well as fund administration through CCFS.

4. The Acquired Party, Crystal Finance Investments Limited, with registered office at Allcare Building, University Roundabout, Msida, having registration number C 26761, is a wealth management services provider specialising in simple investment products primarily focusing on retail clients in Malta. The financial instruments and investment products relied upon by the Acquired Party in offering its investment services are bonds, fixed income instruments, stocks, ETFs and funds. The Acquired Party was also appointed by UBS AG, a licensed bank based in Switzerland, as its local representative for UBS investment funds, thus it actively promotes investment products branded by UBS and has access to investment research facilities provided by UBS funds to its clients.

Transaction

5. Pursuant to a Sale and Purchase Agreement dated 5th April 2016, the Notifying Party proposes to acquire the entire issued share capital of the Acquired Party. The completion of this transaction is conditional upon, *inter alia*, clearance of the proposed concentration by the Office for Competition within the Malta Competition and Consumer Affairs Authority.

Notifiable Concentration

6. In terms of Regulation 2 of the Regulations, a concentration refers to the acquisition by one or more undertakings, or by one or more persons already controlling at least one undertaking, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more undertakings.
7. The proposed transaction constitutes a concentration within the meaning of Regulation 2 of the Regulations whereby the Notifying Party is acquiring sole control of the Acquired Party.

Threshold for Notification

8. The aggregate turnover of the undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties concerned had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover of the undertakings concerned.
9. The notified concentration, therefore, meets the notification threshold as set out in Regulation 2 of the Regulations.

Simplified Procedure

10. Following the examination of the notification, it is considered that the notified concentration falls within the scope of regulation 12(1) of the Regulations, whereby it is provided that:

“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...”

(iii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking and two or more of the parties to the concentration are engaged in business activities either in the same product and geographical market and their combined market share is less than 15%...”

Conclusion

For the above mentioned reasons and in terms of regulations 6 (1) (ii) and 12 (4) of the Regulations, it is therefore decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.



Godwin Mangion
Director General